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COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

In the Matter of the Interconnection Agreement Negotiations Between AT&T COMMUNICATIONS OF NEW ENGLAND, INC., and NEW ENGLAND TELEPHONE AND TELEGRAPH COMPANY, Pursuant to 47 U.S.C. § 252.

D. P. U. 96-80/81

RESPONSE OF AT&T COMMUNICATIONS OF NEW ENGLAND, INC., TO FLOW-THROUGH METRIC PROPOSED BY BELL ATLANTIC ON DECEMBER 3, 1999

AT&T Communications of New England, Inc. (AT&T) objects to the 55% flow-through performance standard arbitrarily chosen by Bell Atlantic to apply to the flow-through metric proposed in its December 3, 1999 submission. This unreasonably low performance standard for flow-through will allow BA to claim that it is meeting standards when, in fact, it is providing abysmally poor performance.

Background.

BA was required to add a flow-through metric to the applicable performance standards in the Department Phase 3-E issued on September 25, 1998. BA's Compliance Filing of November 13, 1998 did not, however, include such a flow-through metric. In Reply Comments filed on March 19, 1999, BA claimed that "special studies of order volume are needed to finalize the flow-through proposal". BA's proposed flow-through metric was not filed until December 3, 1999, more than fourteen months after the Phase 3-E Order issued. BA's proposal for a flow-through metric filed on December 3, 1999 does not include the results of either the "special studies" referenced in March, 1999 or "the recent review of retail orders" referenced in the December 3 submission.

Parity Should be the Applicable Performance Standard for Flow-Through, Not an Arbitrary Percentage Chosen By Bell Atlantic.

The Department has made clear that parity between BA's retail performance and the performance given the CLECs is the appropriate performance standard. Phase 3 Order at 20-24 (December 4, 1996). BA, however, is trying to avoid a parity standard by arguing that "there is no close retail analogy for flow-through." Yet, BA acknowledges that its DOE system is designed to flow-through into its SOP system. Bell Atlantic should be required to produce data regarding the flow-through rate achieved in the DOE to SOP transactions. Moreover, the SOP system is itself being used as an interface for orders. The parties should be allowed to propound discovery to Bell Atlantic designed to gather data on the flow-through rate achieved by BA in its own retail operations. Such information is critical to developing an appropriate parity standard.

BA appears to be trying to hide data regarding its own flow-through rate for retail activities from the Department. Department staff made a record request for such data during the technical conference in Docket 99-271 on December 9, 1999, but six weeks later no response has yet been submitted. The Department should allow discovery in the docket regarding both retail and CLEC flow-through rates before the flow-through performance standard is established.

Disaggregation of the Flow-Through Metric May Be Necessary to Provide Meaningful

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Measurements.

BA is apparently proposing that a single percentage flow-through standard be established for all orders. As AT&T has repeatedly pointed out, such a high level of aggregation presents the very real possibility of hiding poor performance in certain critical areas. BA acknowledges that at least some of its retail orders are designed to flow-through; the same is true of CLEC orders. By making appropriate comparisons, meaningful parity determinations can be made. For example, certain complex orders, like Centrex, probably can be excluded from the flow-through analysis. Without sufficient data from BA, however, it is not possible to design the appropriate comparisons. Again, a full opportunity for appropriate discovery with production by BA of relevant data is necessary in order to design the appropriate disaggregation.

A 55% Flow-Through Rate is Unacceptable If Competition is to Develop; 95% Flow-Through is More Appropriate.

There can be no question that flow-through order processing systems are important to achieving the level of performance necessary to support a robust competitive environment. Whenever an order falls out of the order processing system, manual intervention is then necessary. Such manual intervention creates possibilities for errors in reentering the data that simply do not exist when the order flows through. The 55% flow-through standard proposed by BA would allow almost half of all CLEC orders to be subject to such manual processing and the accompanying possibility of errors. That is simply unacceptable if effective competition is to develop.

Indeed, a 95% flow-through rate is necessary to avoid the staffing problems associated with a higher fall-out rate. If, as BA is proposing, up to 45% of CLEC orders could fall out for manual processing, increasing volume of orders as competition increases would require increased BA staff to handle the necessary manual work. As a practical matter, trained staff will not be available instantaneously as order volumes increase. Instead, CLEC orders will be lost as they fall out of the system and no person is available to take the necessary manual steps. CLECs and their customers will be seriously disrupted. Promises to staff up in the future will not make up for orders lost in the past. Bell Atlantic purported to design flow-through interfaces for CLECs to use. Establishing a performance standard of a 95% flow-through rate is entirely reasonable in these circumstances. The other performance metrics will then provide a clearer picture of actual performance. If significant numbers of orders fall out, however, many other metrics become meaningless.

Conclusion.

A 55% flow-through rate for CLEC orders is unacceptable in a competitive environment. A 95% flow-through rate is more appropriate to handle processing of commercial order volumes. BA should also be required to respond to additional discovery regarding its own retail flow-through performance as well as the performance delivered to CLECs so that the Department can better apply the parity standard for flow-through.

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Dated: January 18, 2000.

CERTIFICATE OF SERVICE

I hereby certify that I caused a true copy of the above document to be served upon the attorney of record for each other party on January 18, 2000.
